

October 25, 2011

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EASTERN DISTRICT OF CALIFORNIA

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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

SACRAMENTO DIVISION

In re:

Case No. 09-29162-D-11

SK FOODS, L.P., a California limited
partnership,

Chapter 11

Debtor.

DC No. SH-133

In re :

**ORDER GRANTING MOTION TO
APPROVE COMPROMISE OF
CONTROVERSY BETWEEN TRUSTEE
AND AEP INDUSTRIES INC.
PURSUANT TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 9019**RHM INDUSTRIAL/SPECIALTY FOODS,
INC., a California Corporation, d/b/a Colusa
County Canning Co.,

Debtor.

Date: October 12, 2011

Time: 10:00 a.m.

Place: Courtroom 34

501 I Street, 6th Floor

Sacramento, CA 95814

Judge: Hon. Robert S. Bardwil

Bradley D. Sharp (the "Trustee"), the duly appointed and acting chapter 11 trustee for SK Foods, L.P., a California limited partnership ("SK Foods"), and RHM Industrial/Specialty Foods, Inc., a California corporation, d/b/a Colusa County Canning Co. ("RHM") and collectively with SK Foods, the "Debtors") filed the Motion to Approve Compromise of Controversy Between Trustee and AEP Industries Inc. ("AEP") Pursuant to Federal Rule of Bankruptcy Procedure

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9019 ("Motion") [Doc. No. 3317] and scheduled the Motion for hearing on the date set forth above. No opposition was filed or stated on the record. Accordingly, the Court granted the motion and approved the compromise.

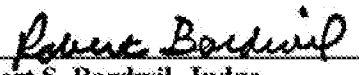
The primary terms of the compromise are summarized as follows:

- a. Payment. AEP has agreed to tender to the Trustee \$35,000.00 by regular company check payable to SK Foods, L.P., within 20 days after AEP and its counsel have been served with the Court's entry of this order.
- b. Waiver of Resulting Claim. AEP shall irrevocably waive any claim to which it would be entitled for having satisfied the Trustee's demand for recovery under 11 U.S.C. §547 ("Resulting Claim") by operation of Federal Rule of Bankruptcy Procedure 3003(c)(3) (incorporating F.R.B.P. 3002(c)(3); 11 U.S.C. §502(h)).
- c. Mutual Release. The Trustee and AEP will release all claims and debts arising out of and relating to the Preference Payments and the Adversary Proceeding.
- d. The parties agree to bear their own fees and costs, including attorneys' fees, relating to this Agreement.

The Court has duly considered the Motion and the Declaration of Bradley D. Sharp filed in support thereof. The Court has determined that notice was proper. Based upon the foregoing:

IT IS HEREBY ORDERED that the Motion to approve the compromise between the Trustee and AEP Industries Inc. is granted.

Dated: October 25, 2011


Robert S. Bardwil, Judge
United States Bankruptcy Court